

Malawi Monthly Economic Report and a brief on the 2024-25 Mid-Year Budget Review Statement

November 2024



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Inflation

The headline inflation rate decreased by 1.9 percentage points to 32.4% in October 2024 from 34.3% in September 2024. The decrease was due to a decline in the food inflation rate to 40.3% in October 2024 from 43.5% in September 2024 and a decline in the non-food inflation rate to 21.2% in October 2024 from 21.8% in September 2024. In October 2023, headline inflation was 26.9%, driven by food inflation of 34.5% and non-food inflation of 17.6%.

The 2024 inflation projections for Malawi from various published sources range between 32.4% and 34.3% (median 33%).

The 2025 inflation projections for Malawi from various published sources range between 15.3% and 28.3% (median 22.3%). According to the EIU, inflation will average 28.3% in 2025 due to continued deficit financing ahead of the 2025 election. Oxford Economics forecasts inflation to ease gradually from December 2024 and average 17.3% in 2025 due to base effects (year-on-year price comparisons will be against last year's high prices, leading to smaller changes). Further, the World Bank projects 2025 annual average inflation at 27.3% and the IMF projects it at 15.3%. Both the World Bank and IMF expect an improvement in inflation from 2024 due to declining food prices in 2025.

Foreign Currency Market and Reserves

Based on closing middle rates, the Malawi Kwacha traded at MK1,750.11/USD as of 30 November 2024, reflecting no significant movement from MK1,749.95/USD as of 31 October 2024. During the same period in the previous year, the Kwacha had depreciated against the USD by 44.03% from October to November 2023 due to the 44% devaluation effected by the RBM in November 2023.

As of 30 September 2024, the country's total foreign exchange reserves increased by 2.8% to USD560.30 million from USD544.80 million in August 2024. The low foreign exchange reserves have hindered the importation of critical resources such as food, fuel and raw materials. There have been fuel supply challenges in the country since October 2024.

Government Securities

The government awarded MK209.05 billion through Treasury Bill (TB) and Treasury Note (TN) auctions in November 2024, a decrease of 43.4% from MK369.23 billion awarded in October 2024. During the review period, the average TB and TN yields were maintained at 20.67% and 31.95%, respectively.

Stock Market

The stock market was bullish as the Malawi All Share Index (MASI) increased to 163,189.14 points in November 2024 from 147,216.86 points in October 2024, representing a 10.85% increase. The MASI year-to-date return was 47.08% in November 2024. It was 81.81% in November 2023.

In November 2024, AIRTEL was the most significant share price gainer as its share price increased by 76.64% to MK97.24 per share from MK55.05 per share in October 2024. There were also share price gains for NICO, MPICO, ICON, TNM, FMBCH, STANDARD, NITL, OMU, BHL, and NBS.

Fiscal and Monetary Policy

According to the 2024-25 Mid-Year Budget Review Statement, at midyear, total revenue and grants for the 2024-25 fiscal year amounted to MK1.72 trillion. Total expenditure amounted to MK2.68 trillion, consisting of MK2.24 trillion in recurrent expenditure and MK438.8 billion in development expenditure. The fiscal deficit in the first half of the 2024-25 financial year is at MK950.9 billion, against the projected MK897.2 billion.

Following the fourth Monetary Policy Committee (MPC) meeting of 2024 held on 4 November 2024, the MPC resolved to maintain the Policy Rate at 26.0%. The MPC arrived at this decision after noting that although inflation has remained elevated, there are strong prospects of slowing down from the fourth quarter of 2024 on account of favourable base effects (year-on-year price comparisons will be against last year's high prices, leading to smaller changes). The MPC also decided to maintain the Lombard Rate at 20 basis points above the policy rate and the Liquidity Reserve Requirement (LRR) ratios at 3.75% for foreign currency deposits. However, the Committee resolved to raise the LRR ratio for domestic currency deposits by 125 basis points to 10.0% from 8.75%.

Commodity Market

According to the International Food Policy Research Institute (IFPRI), the retail maize price increased by 3.9% to MK821/kg in the last week of October 2024 from MK790/kg in September 2024. Year-on-year, it has increased by 12.2%, as it was at MK732/kg in October 2023.

Economic Growth

The 2024 real gross domestic product (GDP) growth rate projections for Malawi from various published sources range between 1.3% and 3.3% (median 1.8%). Most sources attribute the subdued growth to the impact of El Nino on agricultural production and its spillover effects on the rest of the economy.

The MPC noted that real GDP growth is projected at 2.3% for 2024. This growth rate reflects the impact of El Nino weather conditions on agricultural production and continued foreign exchange shortages.

The World Bank, International Monetary Fund (IMF), EIU, and Oxford Economics project real GDP growth for 2024 in the range of 1.3% to 1.8%. The subdued growth in 2024 is on account of the impact of El Nino on the agricultural sector and its spillover effects on the rest of the economy.

For 2025, the real GDP growth forecasts for Malawi from various published sources range between 1.6% and 4.3% (median 4%). The forecasted rebound is due to a recovery of the agricultural sector that will arise because of anticipated better weather conditions.

The RBM projects growth of 4.3% in 2025 reflecting anticipated good weather conditions and positive benefits from the full operationalization of the mega-farms investments.

The EIU expects real GDP growth of 1.6% in 2025 after growth averaging 1.2% in 2022-23, as hard-currency shortages exacerbated by drought conditions weigh on agricultural output and power supply.

According to the World Bank, real GDP growth for 2025 is anticipated to be 4.2% due to agricultural sector recovery and spillovers towards manufacturing and transportation subsectors.

Oxford Economics forecasts a modest rebound in real GDP growth in 2025 of 3.5% on the back of more favourable weather conditions and positive developments in the industrial and construction sectors.

The IMF projects real GDP growth of 4.0% in 2025, attributing the recovery to anticipated good weather conditions in 2025 which will lead to the agricultural sector's recovery.

A Brief on the 2024-25 Mid-Year Budget Review Statement

According to the 2024-25 Mid-Year Budget Review Statement, at midyear, total revenue and grants for the 2024-25 fiscal year amounted to MK1.72 trillion against a midyear projection of K2.22 trillion. Total expenditure amounted to MK2.68 trillion against a midyear projection of MK3.06 trillion, consisting of MK2.24 trillion in recurrent expenditure and MK438.8 billion in development expenditure. The overall balance in the first half of the 2024-25 financial year is at MK950.9 billion, against the projected MK897.2 billion.

In terms of the full-year budget, total revenue and grants have been revised upwards to K4.63 trillion from MK4.55 trillion and total expenditure to MK6.04 trillion from MK5.99 trillion. The proposed revisions outlined will result in a decrease in the estimated fiscal deficit to MK1.41 trillion representing 7.5% of GDP from MK1.45 trillion, representing 7.7% of GDP.

The 2024-25 Mid-Year Budget Review Statement highlighted several government reforms, policies and programs currently being implemented. These reforms are in the following areas; Public Debt Management, Fiscal Discipline, State Owned Enterprises (SOE) Performance, Public Procurement and Disposal of Assets (PPDA), Public Finance Management, Foreign Exchange Reserves.

The 2024-25 Mid-Year Budget Review Statement also highlighted several revenue enhancement measures which include Removal of Value Added Tax (VAT) waiver on motor vehicle imports for privileged individuals, Full Implementation of Electronic Excise Tax Stamps, Opening a Voluntary Tax Compliance Window for motorcycle operators, and Expanding Electronic Payments Across Revenue-Collecting Entities.

Opportunities in Malawi

Agriculture: The Ministry of Agriculture has announced a two-year project, with a budget of MK28 billion, aimed at encouraging 36,000 beneficiaries to adopt organic fertilizers in the country. This initiative follows the enactment of the Fertilizer Act, which is now in effect. In addition to organic fertilizers, the ministry will introduce new types of fertilizers, including Nano Urea, Nano NPK, Nano DAP, organo-mineral fertilizers, and inoculants.

Tourism: Blantyre Hotels Plc shareholders approved a rights offer of 5.04 billion new ordinary shares, targeting existing shareholders and new investors. This initiative aims to raise approximately MK62.4 billion, which will be invested in the company's hotel project in Lilongwe. The company is currently constructing a 4-star 180-room hotel, which will be operated by Marriott International. The capital raising is expected to be completed before the end of this year. The construction of the new hotel is expected to enhance Malawi's capacity to host international tourists, encouraging tourist inflows to the country.

Sunbird Tourism Plc has unveiled plans of constructing a high-rise apartment hotel in Lilongwe worth between USD70 million (approximately MK122.5 billion) and USD90 million (approximately MK157.5 billion). The company presented the proposal at the Malawi-European Union (EU) investment forum. The project provides an investment opportunity for investors in the country and abroad, and it has the potential to boost the Malawian tourism industry by providing more capacity to host international tourists. Additionally, the company has also mentioned plans of constructing a USD35 million (approximately MK61.3 billion) to USD50 million (approximately MK87.5 billion) five-star hotel in Mangochi, which could equally boost the tourism sector in the country. Further, Rayoni Tourism Group has disclosed plans to construct a four-star hotel in Mzuzu, adding to the list of potential investment opportunities and tourism sector growth in Malawi.

Mining: In late October, Lotus Resources (an Australian-based mining company) announced that it had raised USD87m to restart production at the mothballed Kayelekera uranium mine. In an update issued by the company on 6 November 2024, the company announced that operations at the Kayelekera mine will resume in the Third quarter of 2025. The update also stated that the project has been fully funded for the restart with a A\$130 million Placement (130 million Australian dollars), and A\$25 million cash at the end of September 2024 and a Share Purchase Plan (SPP).

According to the EIU, the successful redevelopment of the Kayelekera mine is expected to support economic growth and, in the longer term, could encourage other international mining firms to enter the Malawian market. Further, in an address to the media, Lotus (Africa) Limited's General Manager stated that the firm also plans to list on the Malawi Stock Exchange. If the plans are enacted, this provides an opportunity for the public and local companies to buy stakes in the company and participate in the mining sector.

Chilwa Minerals Limited has developed a USD250,000 (approximately MK440 million) laboratory in Neno to prepare samples for further testing in Europe. The company is currently conducting exploratory works in the country focused on heavy mineral sands such as ilmenite and zircon, and the laboratory will improve sample processing as the samples no longer need to go through South Africa. This development has the potential to accelerate the overall development of Malawi's mining sector.

Risks

The Malawian economy has continued to face several significant risks, including, but not limited to, public debt status, weather-related shocks, inflation, reliance on aid, delays in debt restructuring, and currency depreciation. These risk factors may limit the country's potential for growth and worsen poverty.

According to the EIU, long delays in debt restructuring could impair government funding, leading to an abrupt rise in taxes. An abrupt rise in taxes could contract the economy.

As of the end of June 2024, the Ministry of Finance and Economic Affairs reported that Malawi's total public debt reached MK15.17 trillion (around USD8.75 billion). This debt includes MK8.01 trillion (USD4.62 billion) in domestic debt and USD4.13 billion (MK7.16 trillion) in external debt. With domestic debt making up 52.8% of the total and external debt 47.2%, this high level of indebtedness poses significant risks. Such a large debt burden can strain government finances, limit fiscal flexibility, and increase vulnerability to external shocks, potentially jeopardizing economic stability and growth.

Furthermore, Malawi faces inflation risk. As of October 2024, the ten-month average is 33.3% (full-year average of 28.7% in 2023). The 2025 inflation projections for Malawi from various published sources range between 15.3% and 28.3%. Inflation is expected to ease due to the improvement of the agricultural sector, but downside risks to the outlook include deficit financing and exchange rate weakness.



Economic overview

Inflation (Source: NSO, WB, IMF, EIU, IFPRI, Oxford Economics)

The headline inflation rate for October 2024 decreased to 32.4% from 34.3% in September 2024 due to a decline in the food and non-food inflation rate.

The 2024 inflation projections for Malawi from various published sources range between 32.4% and 34.3%.

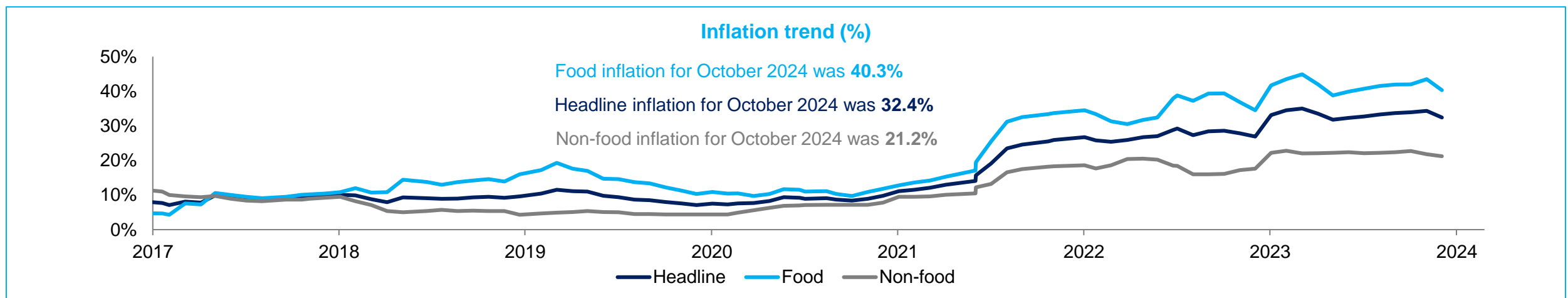
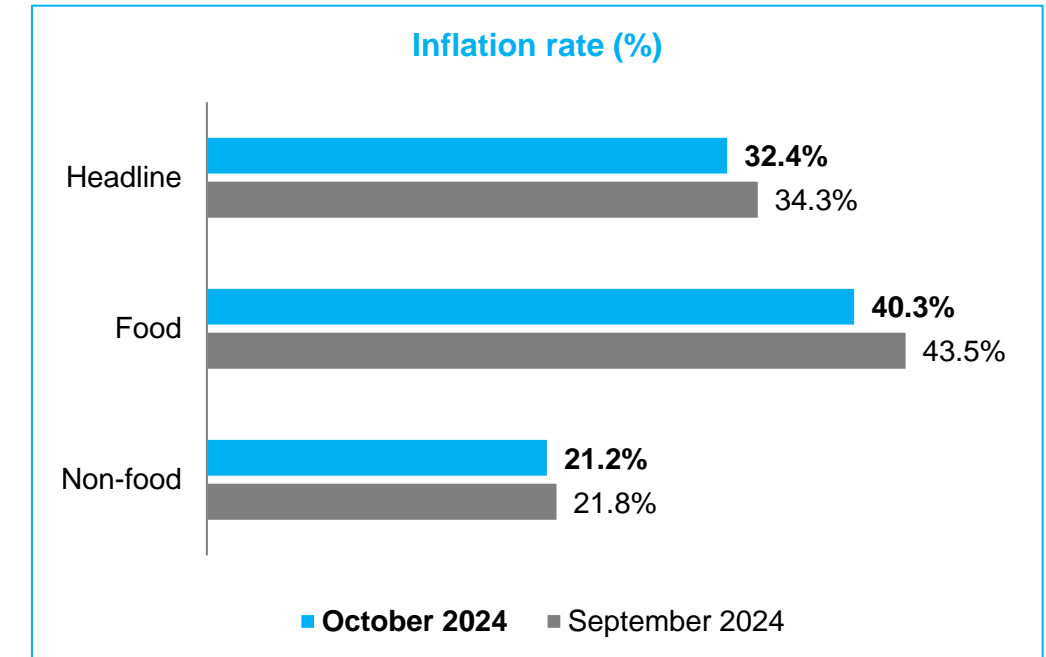
The 2025 inflation projections for Malawi from various published sources range between 15.3% and 28.3%.

The headline inflation rate decreased by 1.9 percentage points to 32.4% in October 2024 from 34.3% in September 2024. The decrease was due to a decline in the food inflation rate to 40.3% in October 2024 from 43.5% in September 2024 and a decline in the non-food inflation rate to 21.2% in October 2024 from 21.8% in September 2024. In October 2023, headline inflation was 26.9%, driven by food inflation of 34.5% and non-food inflation of 17.6%.

According to the National Statistical Office, the decline in headline inflation is mainly driven by a slower rate of increase in food prices compared to the same period last year.

The EIU expects annual average inflation for 2024 to be 34.3% due to continued deficit monetization (purchasing government securities by RBM) which increases money supply, high global commodity prices, and currency weakness as the RBM shifts to a flexible exchange rate. Oxford Economics projects an annual average inflation of 32.4% owing to higher food inflation caused by lower crop yields and pressure on non-food inflation due to a weaker exchange rate. Additionally, the World Bank forecasts an annual average inflation of 33.6%. The World Bank notes that inflation remains elevated due to supply-side constraints and the high fiscal deficit. The recent drought has constrained maize supply and pushed prices up, further fueling inflation.

According to the EIU, inflation will remain elevated in 2025, at an average of 28.3%, due to continued deficit financing ahead of the 2025 election. This, combined with expected currency weakness as the RBM gradually shifts to a more flexible exchange rate, is expected to keep inflation elevated in 2025. Oxford Economics forecasts inflation to ease gradually from December 2024 and average 17.3% in 2025 due to base effects (year-on-year price comparisons will be against last year's high prices, leading to smaller changes). Further, the World Bank projects 2025 annual average inflation at 27.3%, and the IMF projects it at 15.3%. Both the World Bank and IMF expect an improvement in inflation from 2024 due to declining food prices in 2025.





Economic overview (continued)

Foreign currency market and Foreign reserve position (Source: RBM)

Based on the closing middle rates, the Malawi Kwacha traded at MK1,750.11/USD as of 30 November 2024, reflecting no significant movement from MK1,749.95/USD as of 31 October 2024.

The RBM disclosed that based on the foreign exchange auction results in November 2024, the market selling price of the US dollar remains at MK1,751/USD.

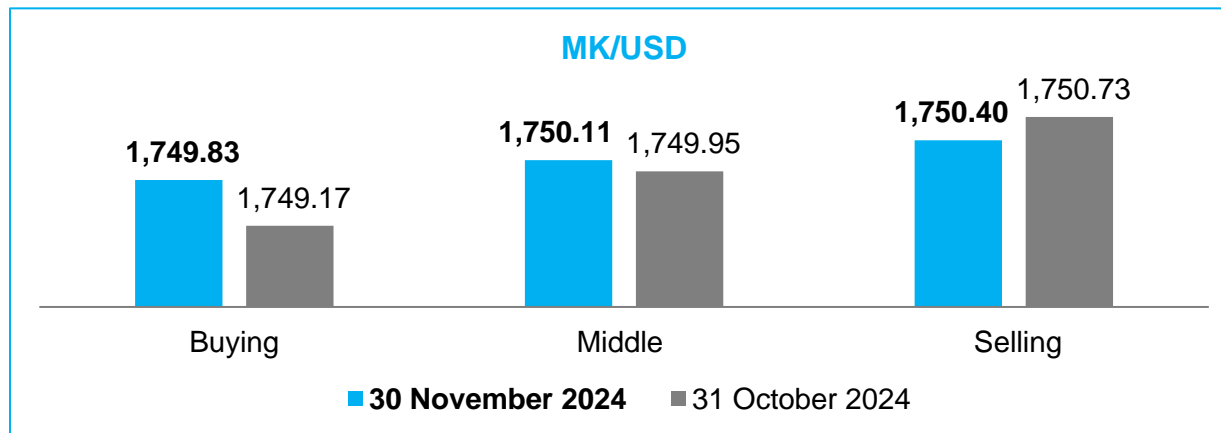
The low foreign exchange reserves have hindered the importation of critical resources such as food, fuel and raw materials. There have been fuel supply challenges in the country since October 2024.

Foreign Currency Market

Based on closing middle rates, the Malawi Kwacha traded at MK1,750.11/USD as of 30 November 2024, reflecting no significant movement from MK1,749.95/USD as of 31 October 2024. During the same period in the previous year, the Kwacha had depreciated against the USD by 44.03% from October to November 2023 due to the 44% devaluation effected by the RBM in November 2023.

The RBM raised USD150,000 from foreign exchange auctions held on 14 November 2024. The RBM disclosed that based on the auction results, the market selling price of the US dollar remains at MK1,751/USD.

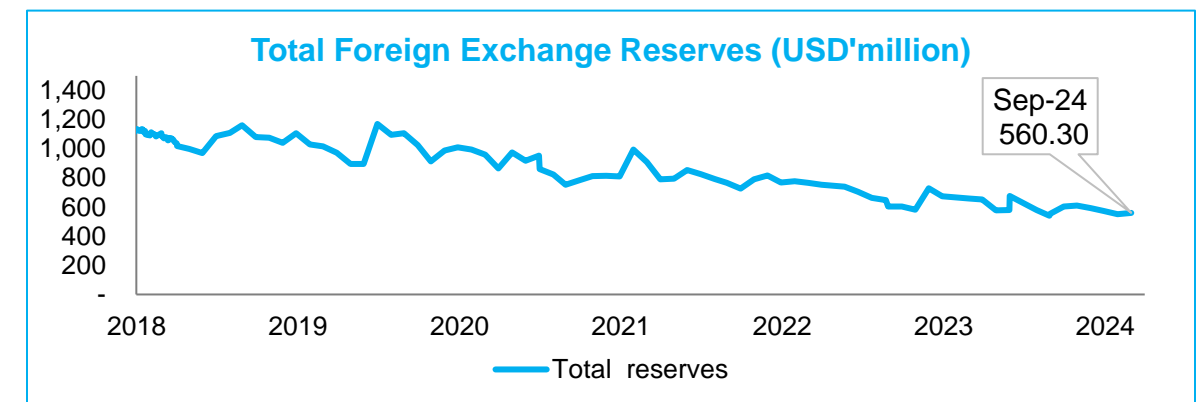
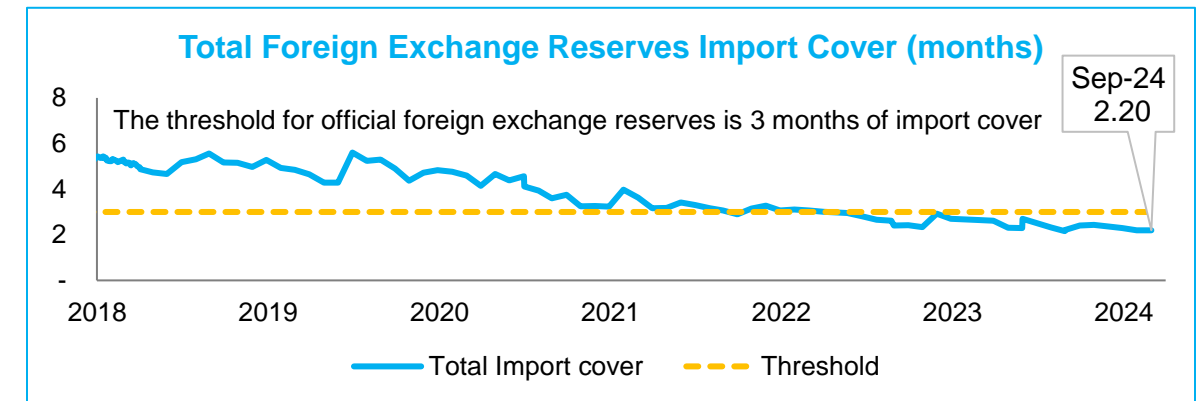
In a press release on 13 November 2024, the RBM introduced conditions for dealings of Authorized Dealer Banks (ADB) in the Operational Manual for Cross Border Foreign Exchange Transactions issued to ADBs on withdrawal of foreign currency by Diplomatic Offices and Diplomatic Staff. According to the communication, Diplomatic Offices shall be allowed to withdraw a maximum of USD15,000 or its equivalent in any foreign currency per calendar month for operations. Ambassadors and Consuls shall be allowed to withdraw a maximum of USD3,000 or its equivalent in any foreign currency per calendar month. Diplomatic Staff other than Ambassadors and Consuls shall be allowed to withdraw a maximum of USD2,000 or its equivalent in any foreign currency per calendar month. Further, the communication from the RBM also stated that all ADBs are required to maintain all records relating to the withdrawal of foreign currency by Diplomatic Offices and Staff for the RBM's inspection.



USD – United States Dollar
 NB: The reported closing rates are actual trade-weighted market average Telegraphic Transfer rates.

Foreign Exchange Reserves Position

As of 30 September 2024, the country's total foreign exchange reserves increased by 2.8% to USD560.30 million from USD544.80million in August 2024. The import cover remained unchanged during the period under review. During the same period in the previous year, the total foreign exchange reserves were USD652.14 million.



	September 2024	August 2024	Month-on-month change (%)
Total Reserves (USD'millions)	560.3	544.8	2.8%
Total import cover (months)	2.2	2.2	0.0%



Economic overview (continued)

Stock Market (Source: MSE)

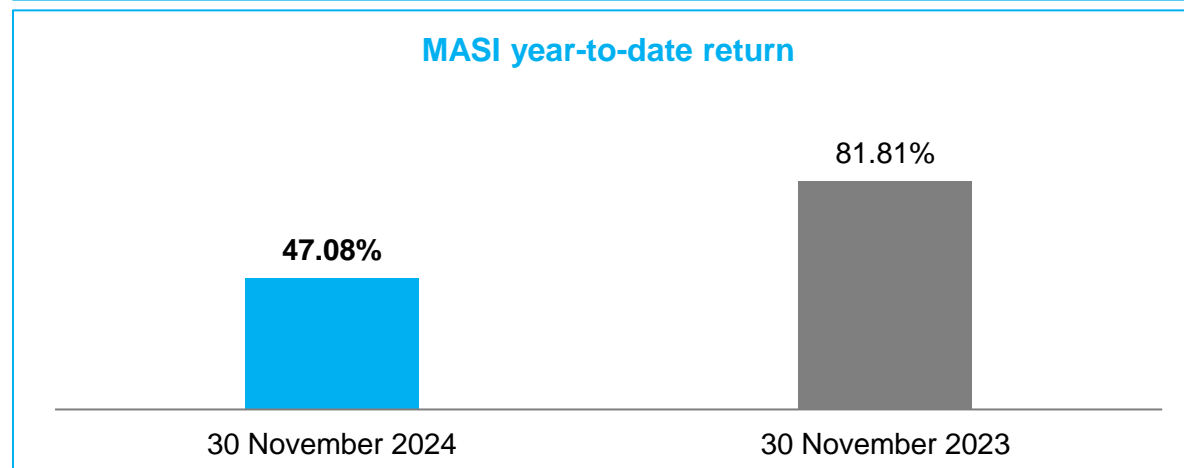
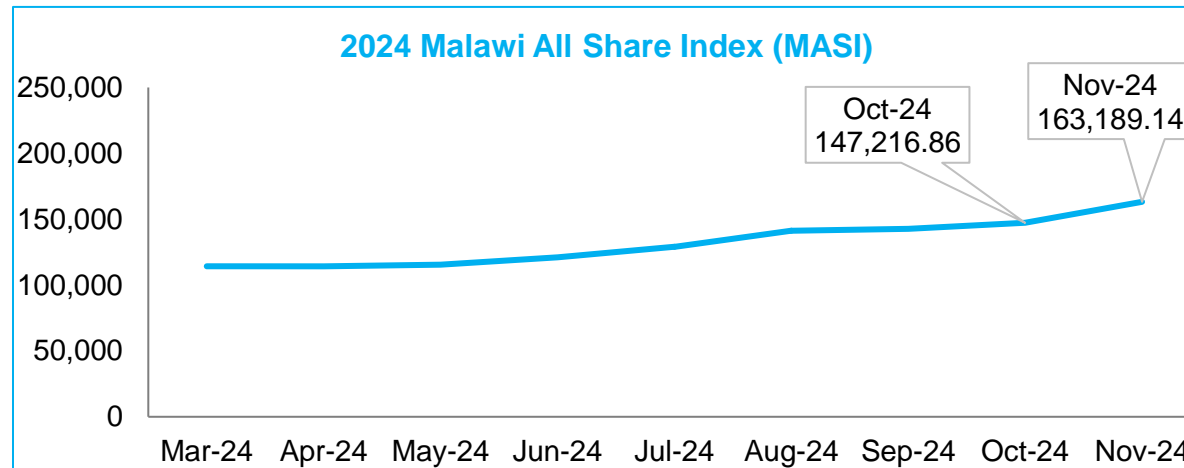
The MASI year-to-date return was 47.08% in November 2024. It was 81.81% in November 2023.

There were share price gains for AIRTEL, NICO, MPICO, ICON, TNM, FMBCH, STANDARD, NITL, OMU, BHL, and NBS.

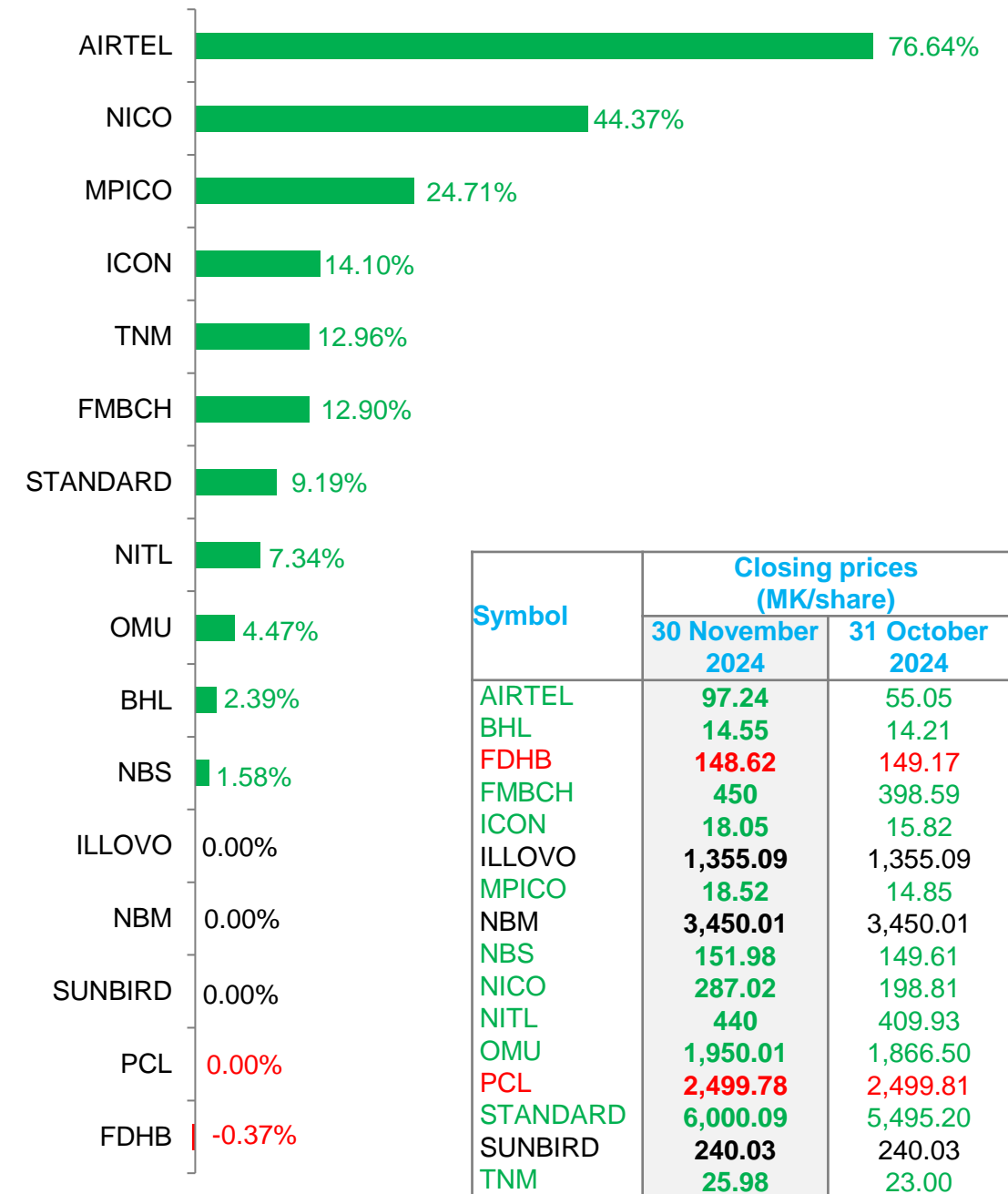
The stock market was bullish as the Malawi All Share Index (MASI) increased to 163,189.14 points in November 2024 from 147,216.86 points in October 2024, representing a 10.85% increase. The MASI year-to-date return was 47.08% in November 2024. It was 81.81% in November 2023.

In November 2024, AIRTEL was the most significant share price gainer as its share price increased by 76.64% to MK97.24 per share from MK55.05 per share in October 2024. There were also share price gains for NICO, MPICO, ICON, TNM, FMBCH, STANDARD, NITL, OMU, BHL, and NBS.

There were marginal share price losses for FDH Bank and PCL.



Month-on-Month share price percentage change (%)



Symbol	Closing prices (MK/share)	
	30 November 2024	31 October 2024
AIRTEL	97.24	55.05
BHL	14.55	14.21
FDHB	148.62	149.17
FMBCH	450	398.59
ICON	18.05	15.82
ILLOVO	1,355.09	1,355.09
MPICO	18.52	14.85
NBM	3,450.01	3,450.01
NBS	151.98	149.61
NICO	287.02	198.81
NITL	440	409.93
OMU	1,950.01	1,866.50
PCL	2,499.78	2,499.81
STANDARD	6,000.09	5,495.20
SUNBIRD	240.03	240.03
TNM	25.98	23.00



Economic overview (continued)

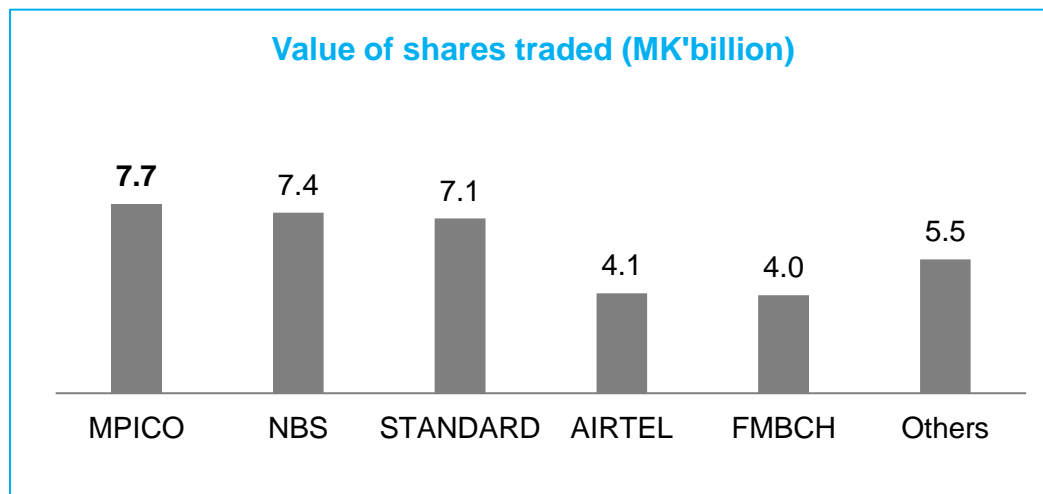
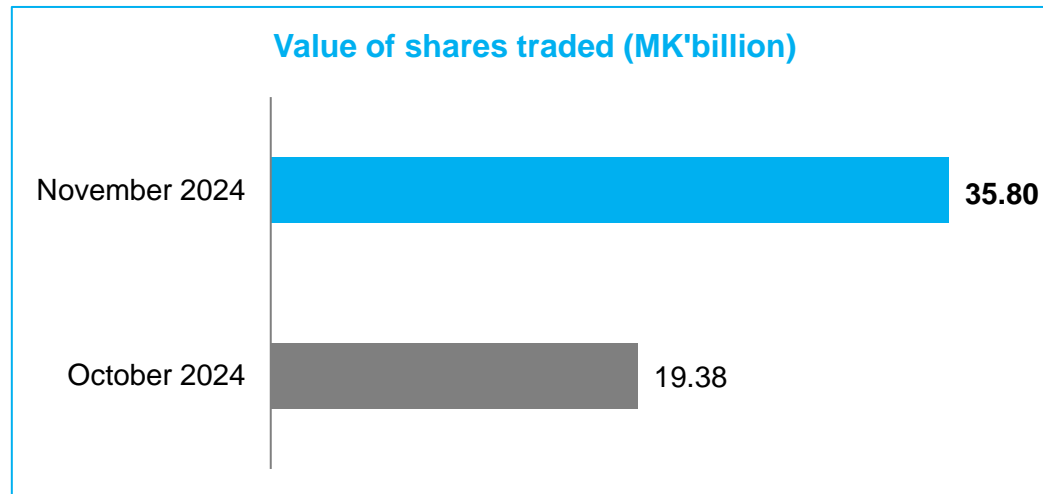
Stock Market (Source: MSE)

MPICO had the highest value of shares traded in November 2024 at MK7.7 billion, followed by NBS at MK7.4 billion.

MSE Traded Values

A total of MK35.80 billion worth of shares were traded on the Malawi Stock Exchange (MSE) in November 2024. This represented an increase of 84.7% from MK19.38 billion shares traded in October 2024. MPICO had the highest value of shares traded in November 2024 at MK7.7 billion.

The total number of trades increased to 1,606 in November 2024 from 1,402 in October 2024.



Corporate Announcements

Published Full Year Financial results

Counter	Profit after tax (MK'billions)		Change (%)
	Full-year 2024	Full-year 2023	
ILLOVO	22.6	56.8	-60%

*: Financial full-year end for Illovo is 31 August

Dividends

Counter	Dividend type	Proposed/Declared	Dividend per share (MK)	Last day to register	Payment date
FDH	2nd Interim	Declared	2.18	13th December 2024	19th December 2024
ILLOVO	Final	Proposed	5.00	TBA	TBA

Other announcements

- MPICO Plc released a cautionary statement on 25 November 2024 informing the public of the potential sale of up to 20.56% shareholding interest in the company by a substantial shareholder. Consequently, the company issued a withdrawal of cautionary announcement and notice of substantial acquisition on 29 November 2024. According to the announcement, the Public Service Pension Fund Trust Fund (PSPTF) acquired 17.58% shareholding from Old Mutual (Malawi) Limited at a consideration of MK7.48 billion.
- Blantyre Hotels Plc (BHL) announced that it has extended the offer period of its ongoing Rights issue to 20 December 2024.



Economic overview (continued)

Government securities (Source: RBM)

The government awarded MK209.05 billion through Treasury Bill (TB) and Treasury Note (TN) auctions in November 2024, a decrease of 43.4% from MK369.23 billion awarded in October 2024.

From October 2024 to November 2024, the average TB and TN yields maintained at 20.67% and 31.95%, respectively.

Treasury Bills (TBs)

In November 2024, the government sought to borrow MK49.68 billion through TB auctions, a 24.5% decrease from MK65.80 billion in October 2024. Participants applied for MK27.93 billion, of which MK27.83 billion was awarded, reflecting a 74.0% decrease from MK106.91 billion in October 2024. There was a 0.36% rejection rate for the TB auctions.

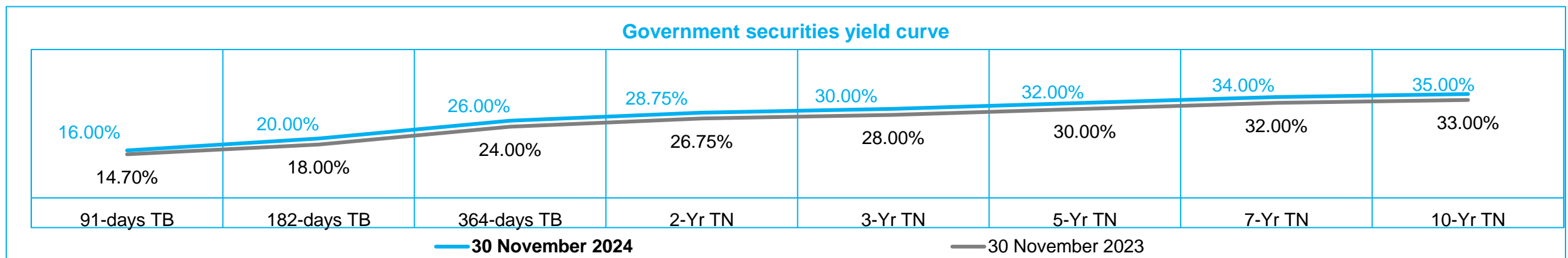
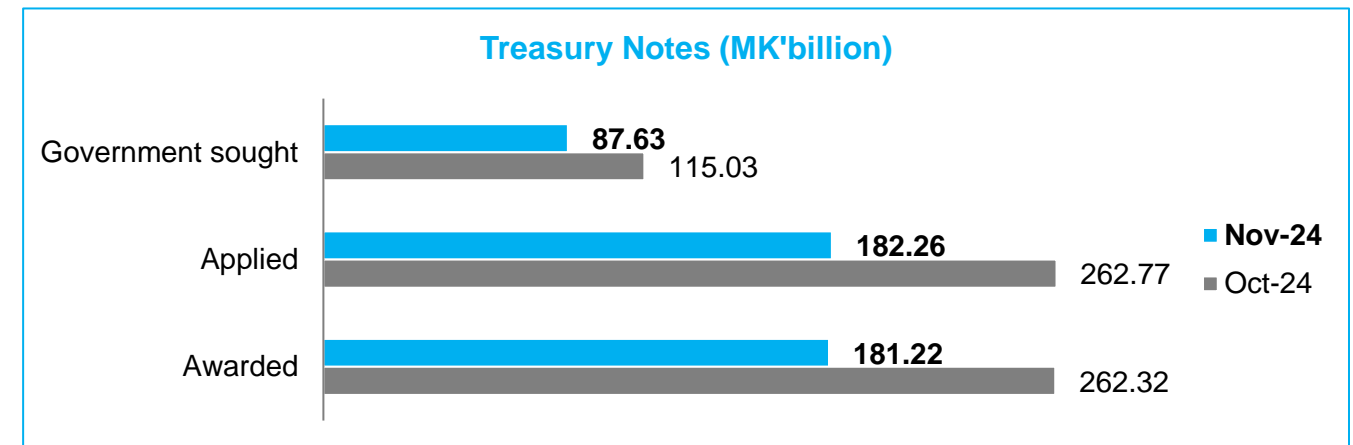
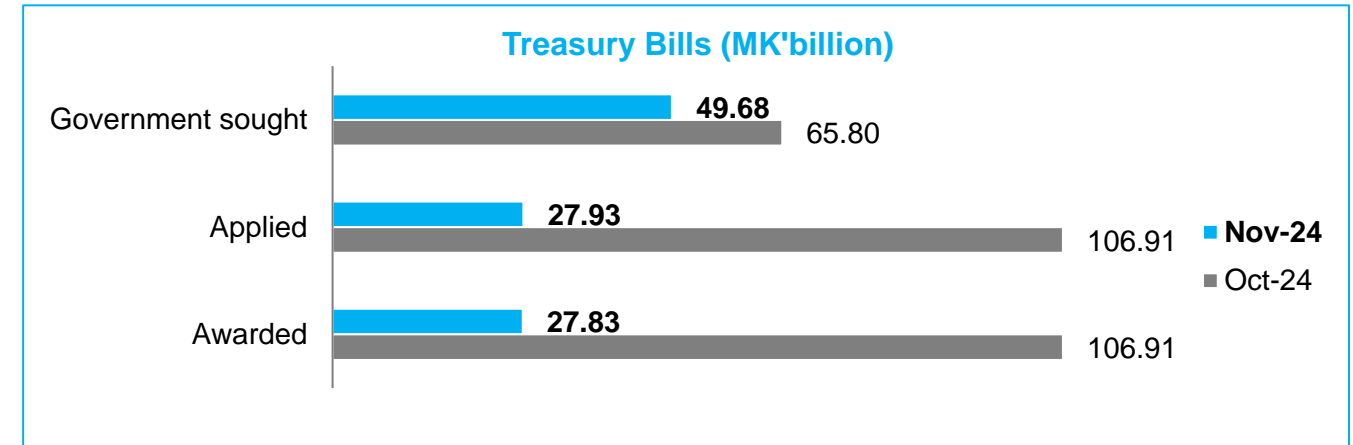
Treasury Notes (TNs)

In November 2024, the government sought to borrow MK87.63 billion through TN auctions, a 23.8% decrease from MK115.03 billion in October. Participants applied for MK182.26 billion, of which MK181.22 billion was awarded, reflecting a 30.9% decrease from the awarded amount of MK262.32 billion in October 2024. There was a 0.57% rejection rate for the auctions.

Government Securities Yield Curve

From October 2024 to November 2024, the 91, 182 and 364-day TB yields maintained at 16.00%, 20.00% and 26.00%, respectively. As such, the average TB yield maintained at 20.67% in November 2024. The average TB yield was 18.90% in November 2023.

From October 2024 to November 2024, the yields of the 2, 3, 5, 7, and 10-year TNs were 28.75%, 30.00%, 32.00%, 34.00%, and 35.00%, respectively. As a result, the average TN yield maintained at 31.95% in November 2024. The average TN yield was 29.95% in November 2023.





According to the 2024-25 Mid-Year Budget Review Statement, the fiscal deficit in the first half of the 2024-25 financial year is at MK950.9 billion, against the budgeted MK897.2 billion. This is on account of revenues amounting to MK1.72 trillion and expenditures amounting to MK2.68 trillion.

At its fourth 2024 meeting, the MPC resolved to maintain the Policy Rate at 26.0%. However, the Committee resolved to raise the LRR ratio for domestic currency deposits by 125 basis points to 10.0% from 8.75%.

Fiscal Policy (Source: Various published media, RBM)

According to the RBM's September Monthly Economic review, in September 2024, the central government's total revenues and expenditures were MK299.8 billion and MK449.4 billion, respectively. This resulted in a deficit of MK149.6 billion, compared to a deficit of K189.2 billion in August 2024 and a deficit of MK35.5 billion recorded in September 2023.

According to the 2024-25 Mid-Year Budget Review Statement, at midyear, total revenue and grants for the 2024-25 fiscal year amounted to MK1.72 trillion against a midyear budget of K2.22 trillion. Total expenditure amounted to MK2.68 trillion against a midyear budget of MK3.06 trillion, consisting of MK2.24 trillion in recurrent expenditure and MK438.8 billion in development expenditure. The fiscal deficit in the first half of the 2024-25 financial year is at MK950.9 billion, against the budgeted MK897.2 billion.

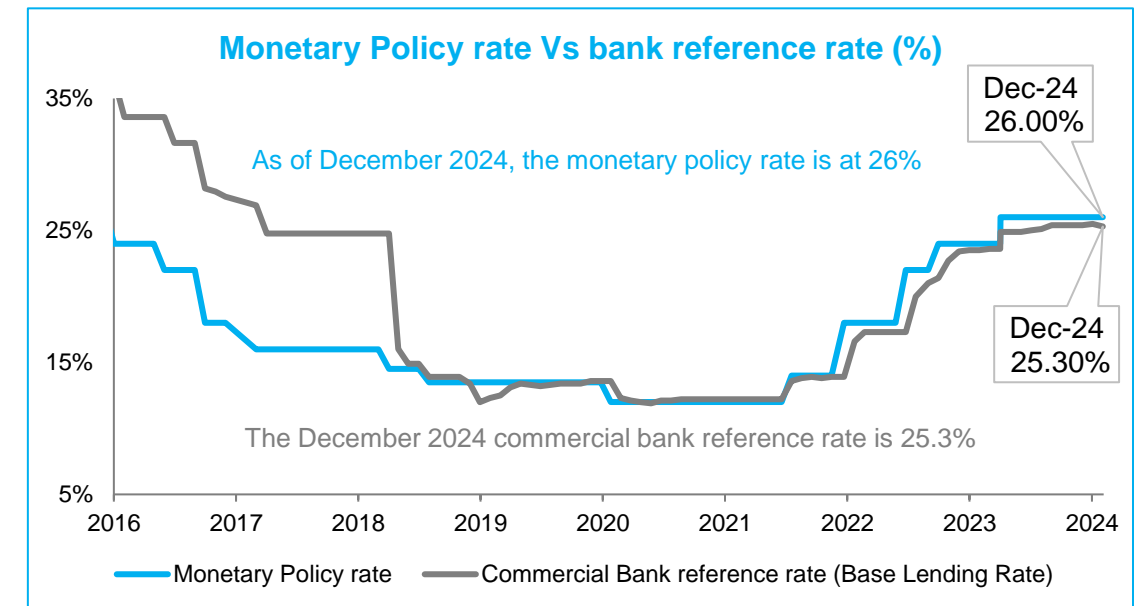
As disclosed in the local debt issuance calendar, the government seeks to raise MK319.9 billion through TN auctions and MK180.9 billion through TB auctions, for a total of MK500.7 billion in the fourth quarter of 2024.

Monetary Policy (Source: RBM, NBM)

Following the fourth Monetary Policy Committee (MPC) meeting of 2024 held on 4 November 2024, the MPC resolved to maintain the Policy Rate at 26.0%. The MPC also decided to maintain the Lombard Rate at 20 basis points above the policy rate and the Liquidity Reserve Requirement (LRR) ratios at 3.75% for foreign currency deposits. However, the Committee resolved to raise the LRR ratio for domestic currency deposits by 125 basis points to 10.0% from 8.75%.

The MPC arrived at this decision after noting that although inflation has remained elevated, there are strong prospects of slowing down from the fourth quarter of 2024 on account of favourable base effects (year-on-year price comparisons will be against last year's high prices, leading to smaller changes). The Committee also noted that money supply continues to grow sharply, posing risks to the inflation outlook.

The commercial bank reference rate for December 2024, effective 4 December 2024, is 25.3%, a decrease from the November 2024 reference rate of 25.5%.





Commodity Market Developments

Maize, Oil, and other commodities market developments

The retail maize price increased by 3.9% to MK821/kg in the last week of October 2024 from MK790/kg in September 2024. Year-on-year, it has increased by 12.2%, as it was at MK732/kg in October 2023.

Local Maize Price Developments (Source: IFPRI)

Data from the International Food Policy Research Institute (IFPRI) October 2024 monthly maize market report showed that maize prices increased by 3.9% to MK821/kg in the last week of October 2024 from MK790/kg in September 2024. The report further shows that maize prices were highest in the Southern region, followed by the Central region, whilst the Northern region had the lowest prices.

Annual comparisons indicate that the retail maize price has increased by 12.2%, as it was MK732/kg in October 2023.

Global Oil Price Developments (Source: OPEC)

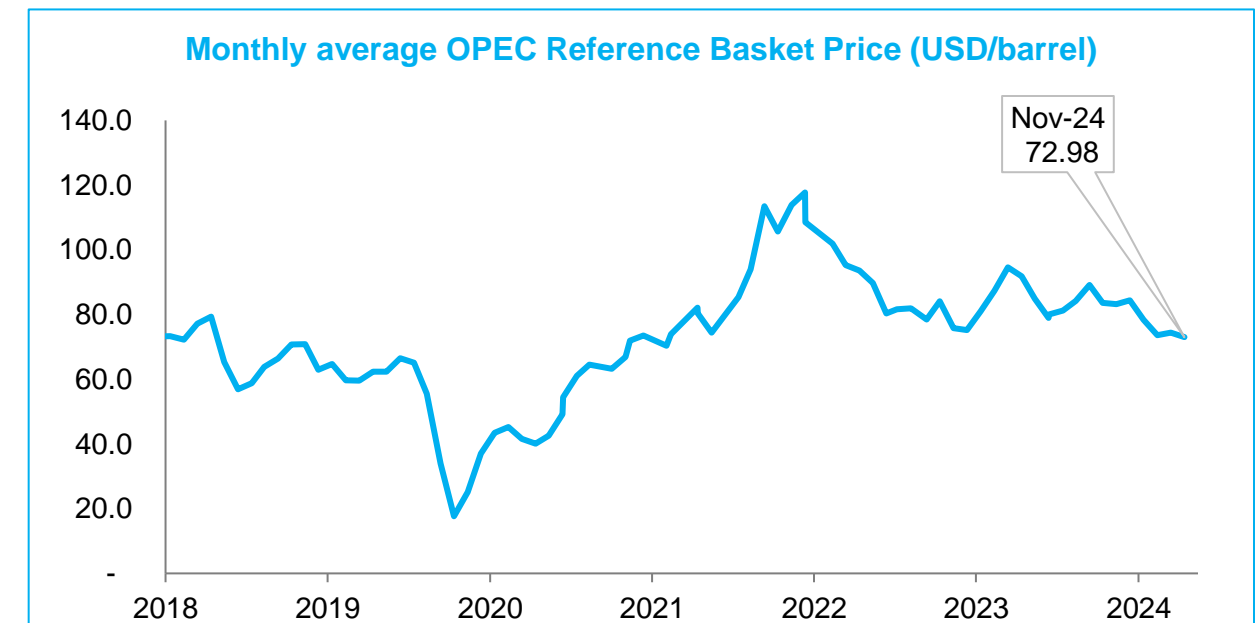
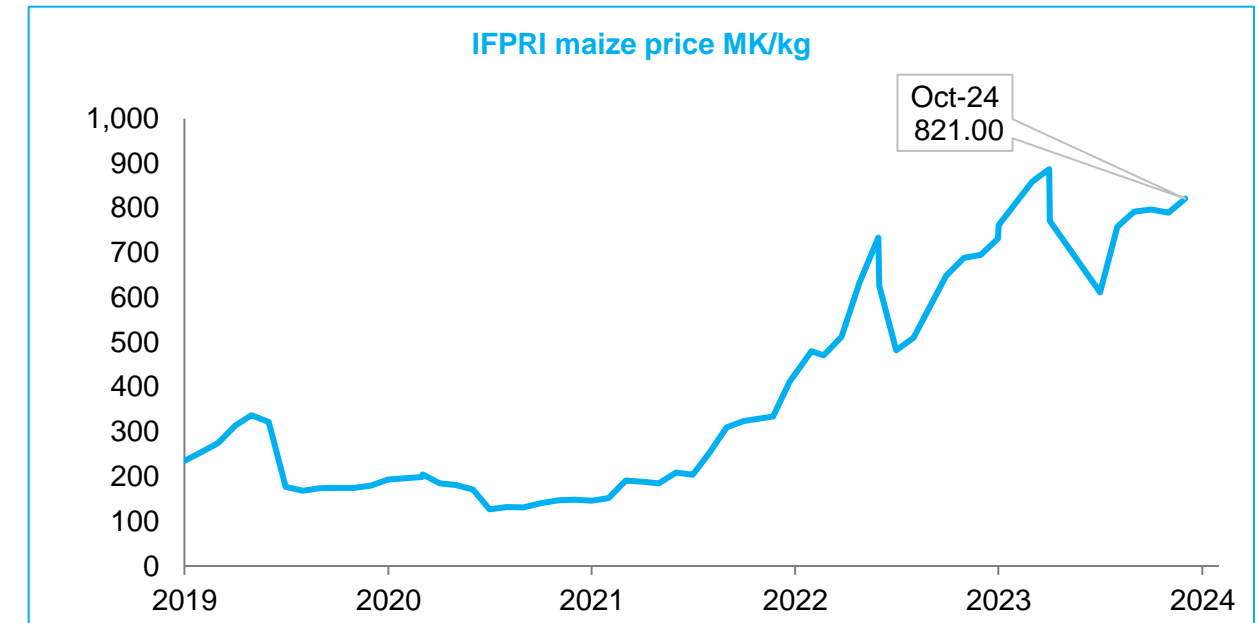
The monthly average OPEC reference basket price decreased to USD72.98/barrel in November 2024 from USD74.45/barrel in October 2024. This represents a decrease of 2.0% month-on-month. Year-on-year, there was a 14.1% decrease from an average price of USD84.92/barrel as of November 2023.

In its November 2024 monthly report, OPEC revised its 2024 world oil demand growth forecast by 107 thousand barrels per day (tb/d) to 1.8 million barrels per day (mb/d). The oil demand of the Organization for Economic Co-operation and Development (OECD) is expected to grow by 0.2 mb/d. The non-OECD oil demand growth is expected to be about 1.7 mb/d. For 2025, world oil demand growth is projected at 1.5mb/d. The 2025 OECD oil demand growth is projected at 0.1 mb/d, whilst demand in the non-OECD is forecast to expand by 1.4 mb/d.

Other Commodity Price Developments (Source: World Bank)

According to World Bank commodity prices data, global tea prices decreased to USD3.09/Kg in November 2024 from USD3.15/Kg in October 2024. World sugar prices remained stable as they marginally decreased to USD0.45/Kg in November 2024 from USD0.46/Kg in October 2024. For fertilizers, Urea prices decreased to USD352.3 per metric ton (USD352.3/mt) in November 2024 from USD374.8/mt in October 2024, Diammonium Phosphate (DAP) prices increased to USD574.5/mt in November 2024 from USD573.4/mt in October 2024, and Potassium Chloride prices decreased to USD281.0/mt in November 2024 from USD278.1/mt in October 2024.

The monthly average OPEC reference basket price decreased by 2.0% to USD72.98/barrel in November 2024 from USD74.45/barrel in October 2024. Year-on-year, it has decreased by 14.1% from an average price of USD84.92/barrel as of November 2023.



A brief on the 2024-25 Mid-Year Budget Review Statement

November 2024





Malawi's real GDP growth is now projected at 1.8% in 2024, a downward revision from 2.3% envisaged at the start of the 2024-25 fiscal year. In 2025, growth is estimated at 4.0%, a downward revision from 4.3% estimated at the beginning of the 2024-25 fiscal year.

At midyear, total revenue and grants for the 2024-25 fiscal year amounted to MK1.72 trillion against a midyear projection of K2.22 trillion. This was because of lower-than-expected tax revenues and low grant inflows.

A brief on the 2024-25 Mid-Year Budget Review Statement

Introduction

The Minister of Finance and Economic Affairs presented the 2024-25 Mid-Year Budget Review Statement at the parliament building on Wednesday, 4 December 2024. The Statement focused on the macroeconomic developments that prevailed halfway into the implementation of the 2024-25 National Budget, the performance of revenue and expenditure, proposed revisions to the 2024-25 National Budget, the reforms currently being implemented by the government, and revenue enhancement measures that will be implemented.

Macroeconomic developments

According to the 2024-25 Mid-Year Budget Review Statement, the IMF has projected global growth at 3.2% in 2024 and 2025. Global headline inflation is projected to decrease to 5.8% in 2024 and 4.3% in 2025 from 6.7% in 2023.

The IMF projects regional growth for the Sub-Saharan region at 3.6% in 2024 and 4.2% in 2025. It was noted, however, that the Sub-Saharan region continues to experience underlying socio-economic pressures compounded by rapid increases in the cost of living and the short-term effects of macroeconomic adjustments. These pressures are causing significant hardships in many countries. The resulting social frustration and political pressures make it increasingly challenging to implement reforms.

As for the Malawian economy, the statement highlighted that the domestic economy has been hit hard by weather-related shocks, which have negatively affected the productivity of the Agriculture sector, the major contributor to the country's GDP. Malawi's real GDP growth is now projected at 1.8% in 2024, a downward revision from 2.3% envisaged at the start of the 2024-25 fiscal year. In 2025, growth is estimated at 4.0%, a downward revision from 4.3% estimated at the beginning of the 2024-25 fiscal year. In terms of inflation, inflationary pressures persisted in 2024 mainly due to rising food prices following lower-than-expected agricultural output during the 2023-24 agricultural season. According to the Statement, headline inflation averaged 33.8% between January and October 2024.

The country secured support from the IMF through the 4-year Extended Credit Facility (ECF) amounting to USD175 million. It was noted in the statement that the ECF has unlocked foreign support from various development partners, which has assisted in boosting economic activities. It was also highlighted that the government is implementing several initiatives aimed at the Recovery, Development and Protection of the economy. The initiatives are the implementation of Mega Farms, the Israel Labour Export program, and Carbon Credits Trading.

2024-25 Mid-Year Budget Performance

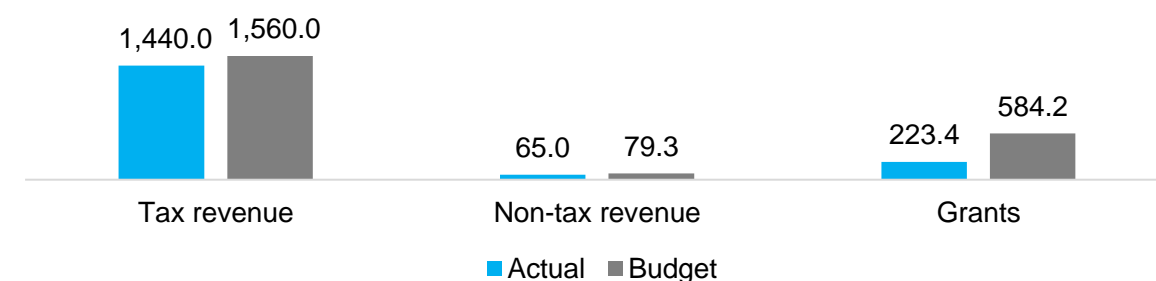
Revenue and Grants

At midyear, total revenue and grants for the 2024-25 fiscal year amounted to MK1.72 trillion against a midyear projection of K2.22 trillion. Domestic revenue amounted to MK1.50 trillion against a projected MK1.63 trillion. The midyear outturn for tax revenue is MK1.44 trillion, whilst non-tax revenue is MK65 billion. Grants amounted to MK223.4 billion against a projection of MK584.2 billion. According to the Statement, the underperformance in revenue is largely due to the lower-than-projected economic growth and delayed implementation of some tax policy measures.

2024-25 Mid-Year Total revenue and grants (MK'trillion)



2024-25 Mid-Year Total revenue composition (MK'billion)





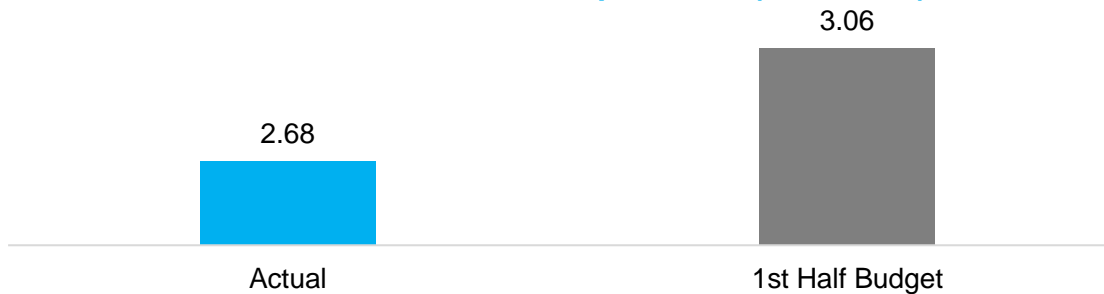
A brief on the 2024-25 Mid-Year Budget Review Statement (continued)

2024-25 Mid-Year Budget Performance (continued)

Expenditure

As at midyear, the expenditure outturn is MK2.68 trillion consisting of MK2.24 trillion in recurrent expenditure and MK438.8 billion in development expenditure. The total expenditure at midyear represented a variation from the projected expenditure of MK3.06 trillion. This is mainly due to the lower-than-anticipated rate of implementation of some of the programs and activities in the first half of the financial year.

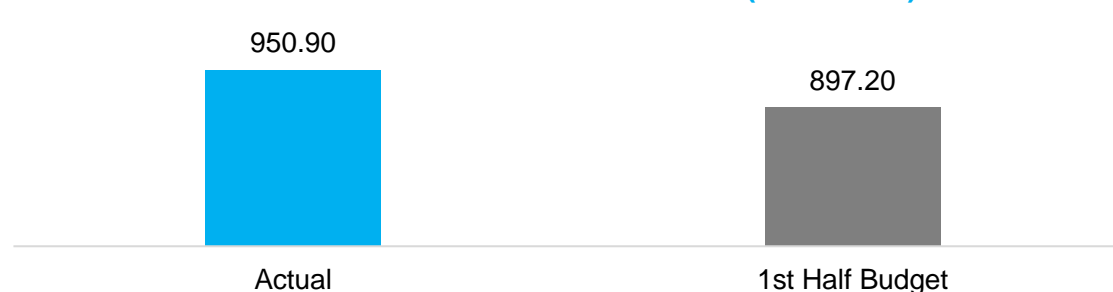
2024-25 Mid-Year Total Expenditure (MK'trillion)



Fiscal Deficit and Financing

The overall balance in the first half of the 2024-25 financial year is at MK950.9 billion, against the projected MK897.2 billion. This is on account of lower than envisaged revenue collected in the first half. The deficit has been financed by net domestic borrowing of MK908.2 billion and foreign borrowing of MK42.8 billion.

2024-25 Mid-Year Overall Balance (MK'billions)



As of midyear, the expenditure outturn is MK2.68 trillion, consisting of MK2.24 trillion in recurrent expenditure and MK438.8 billion in development expenditure.

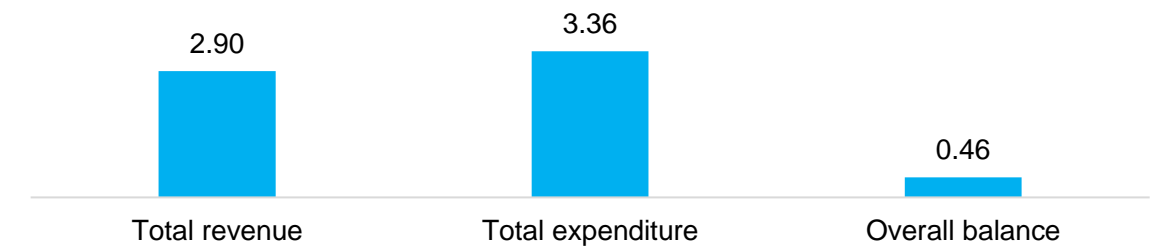
The fiscal deficit in the first half of the 2024-25 financial year is at MK950.9 billion, against the budgeted MK897.2 billion.

In the second half of the 2024-25 financial year, total revenue and grants are projected at MK2.90 trillion. Total expenditure is projected at MK3.36 trillion. The fiscal deficit for the second half of the financial year is a projected deficit of K463.22 billion.

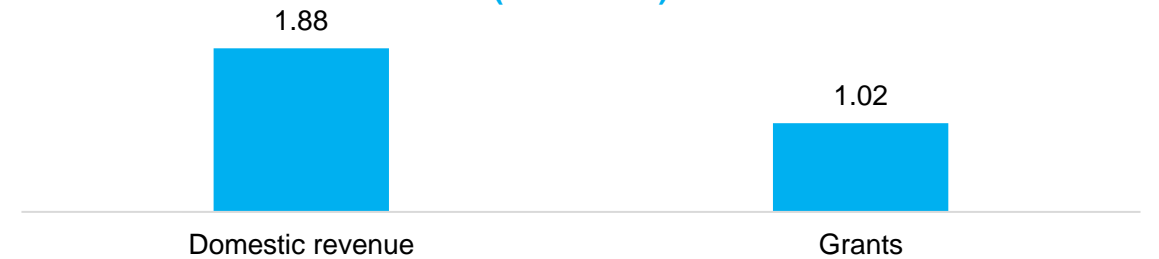
Projections for the Second Half of the Financial Year

In the second half of the 2024-25 financial year, total revenue and grants are projected at MK2.90 trillion, of which MK1.88 trillion is domestic revenue and MK1.02 trillion are grants. Total expenditure is projected at MK3.36 trillion, of which MK2.22 trillion is recurrent expenditure and MK1.15 trillion is development expenditure. The overall balance for the second half of the financial year is a projected deficit of K463.22 billion.

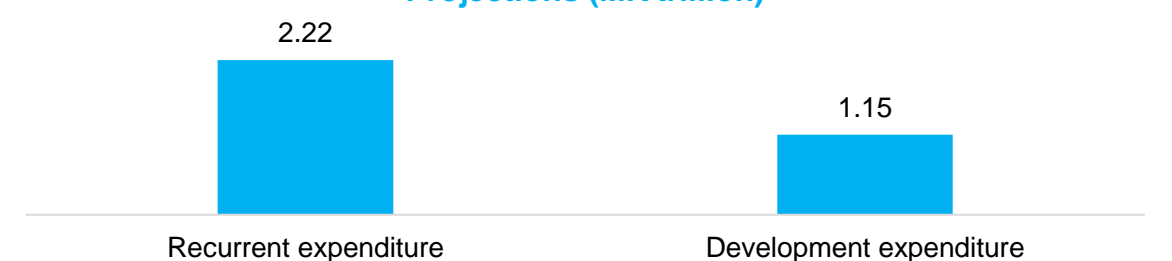
2024-25 National Budget Second Half Projections (MK'trillion)



2024-25 National Budget Second Half Revenue Projections (MK'trillion)



2024-25 National Budget Second Half Expenditure Projections (MK'trillion)





A brief on the 2024-25 Mid-Year Budget Review Statement (continued)

Total revenue and grants have been revised upwards to K4.63 trillion from MK4.55 trillion and total expenditure to MK6.04 trillion from MK5.99 trillion.

The proposed revisions outlined above will decrease the estimated fiscal deficit to MK1.41 trillion, representing 7.5% of GDP, from MK1.45 trillion, representing 7.7% of GDP.

On debt restructuring, significant progress has been made, and official agreements on the specific restructuring terms have already been reached with some of the major bilateral creditors, including China.

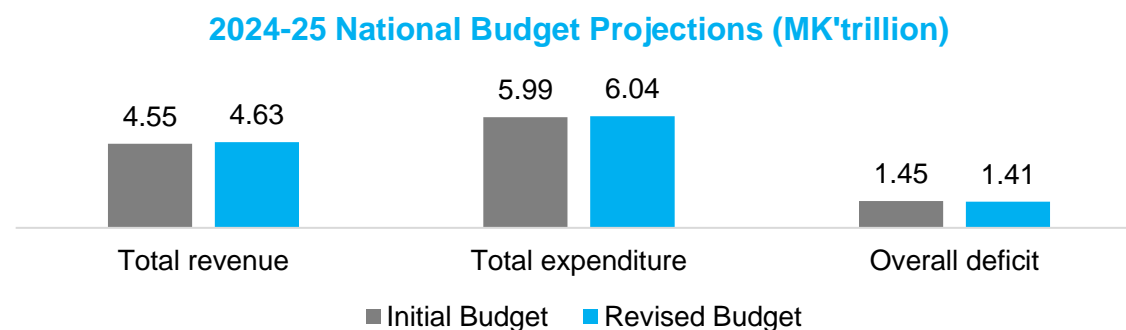
Projections to the End of the Fiscal Year

Total revenue and grants have been revised upwards to K4.63 trillion from MK4.55 trillion and total expenditure to MK6.04 trillion from MK5.99 trillion.

Domestic revenue is expected to increase marginally to MK3.39 trillion from MK3.38 trillion. Of the total domestic revenue, taxes and other revenue are projected at MK3.26 trillion and MK128.6 billion, respectively. Grants are projected to increase by MK72 billion to MK1.24 trillion from MK1.17 trillion by the end of the 2024-25 financial year. This is on account of an increase in current grants from International Organizations.

The 2024-25 financial year's total expenditure has been revised upwards by MK41.5 billion to MK6.04 trillion from MK5.99 trillion. According to the statement, the upward revision in expenditure is due to the World Bank's disbursements on maize purchases and winter cropping as a humanitarian response to food insecurity and a program for enhancing public finance management systems.

The proposed revisions outlined above will result in a decrease in the estimated fiscal deficit to MK1.41 trillion, representing 7.5% of GDP, from MK1.45 trillion, representing 7.7% of GDP.



Government Reforms, Policies and Programs

The 2024-25 Mid-Year Budget Review Statement highlighted several government reforms, policies and programs that are currently being implemented as follows:

Government Reforms, Policies and Programs (continued)

Public Debt Management

To contain debt to sustainable levels in the short term and medium term, the Government will enhance its efforts to mobilize domestic resources to finance the budget. On debt restructuring, significant progress has been made, and official agreements on the specific restructuring terms have already been reached with some of the major bilateral creditors, including China. Discussions with the remaining bilateral creditors, including India, Kuwait Fund and Saudi Fund for Development, are being fast-tracked to reach the necessary debt treatment in line with the IMF program requirements. Finally, negotiations in good faith are ongoing with the African Export-Import Bank (Afrexim Bank) and the Trade and Development Bank (TDB).

Fiscal Discipline

In the 2024-25 Mid-Year Budget Review Statement, the Minister of Finance and Economic Affairs highlighted that the Government is committed to reducing the fiscal deficit. In that regard, the Ministry of Finance and Economic Affairs will continue with the implementation of fiscal consolidation measures to enhance revenue collection and control expenditures.

State Owned Enterprises (SOE) Performance

The Government continues to implement the migration of SOE's revenue accounts to the RBM which is currently in the second phase targeting all commercial SOEs and subvented organizations. This phase is expected to be concluded by the end of this fiscal year.

Public Procurement and Disposal of Assets (PPDA)

The Minister of Finance and Economic Affairs stated that the Ministry of Finance and Economic Affairs has been working on the review of the PPDA Act to improve efficiency in the procurement processes.

Public Finance Management Reforms

The reforms currently under implementation include programs that seek to improve the effectiveness of resource mobilization, budget execution and transparency of public finances. The World Bank through the Fiscal Governance Program for Results, GIZ through the Tikuze Malawi Project and the EU through the Chuma cha Dziko Project have assisted in the implementation of public finance management reforms.



A brief on the 2024-25 Mid-Year Budget Review Statement (continued)

The Government will remove Value Added Tax (VAT) waiver on motor vehicle imports for privileged individuals and organizations. Affected individuals by this measure include the State President, the Vice President, the retired Presidents and Vice Presidents, Cabinet Ministers, Members of Parliament, senior officials in the Judiciary including judges, senior Government officials and senior military officials.

Government Reforms, Policies and Programs (continued)

Foreign Exchange Reserves

As per the Mid-Year Budget Review Statement, exchange rate policy and management will continue to aim at rebuilding the foreign exchange reserves alongside policy actions to facilitate a market-determined exchange rate. As such, the RBM will continue conducting foreign exchange auctions aimed at price discovery.

Revenue Enhancement Measures

As earlier stated, the 2024-25 Mid-Year Budget Review Statement also highlighted revenue enhancement measures that the government would like to introduce alongside austerity measures. The revenue enhancement measures are as outlined below:

Removal of Value Added Tax (VAT) waiver on motor vehicle imports for privileged individuals

The Government will remove Value Added Tax (VAT) waiver on motor vehicle imports for privileged individuals and organizations. Affected individuals by this measure include the State President, the Vice President, the retired Presidents and Vice Presidents, Cabinet Ministers, Members of Parliament, senior officials in the Judiciary including judges, senior Government officials and senior military officials. If the VAT bill is passed, the privileged individuals will now pay VAT when purchasing duty-free motor vehicles.

Full Implementation of Electronic Excise Tax Stamps

Electronic Excise Tax Stamps designed to help the Malawi Revenue Authority (MRA) verify whether excise tax has been paid on excisable goods, such as alcoholic beverages, cigarettes, soft drinks, and bottled water, have been introduced. The Government seeks to ensure that all traders dealing in excisable goods should register with the MRA and start using the tax stamps.

Open a Voluntary Tax Compliance Window for motorcycle operators.

The Government, through the MRA, will open a voluntary tax compliance window for motorcycle owners. This initiative will allow unregistered motorcycles to be registered for a small fee. Designated registration sites will soon be announced by the MRA. These sites will have officials from the MRA, the Road Traffic Directorate and the Police to enable operators to leave with their motorcycles fully registered.

Expanding Electronic Payments Across Revenue-Collecting Entities

The Government would like to modernize revenue collection through an electronic payment system. It was noted that the Ministry of Lands and the Department of the Registrar General have already implemented full digitalization of their revenue collection and management systems, which have led to a significant increase in revenue collected in the first half of the fiscal year.

Appendices

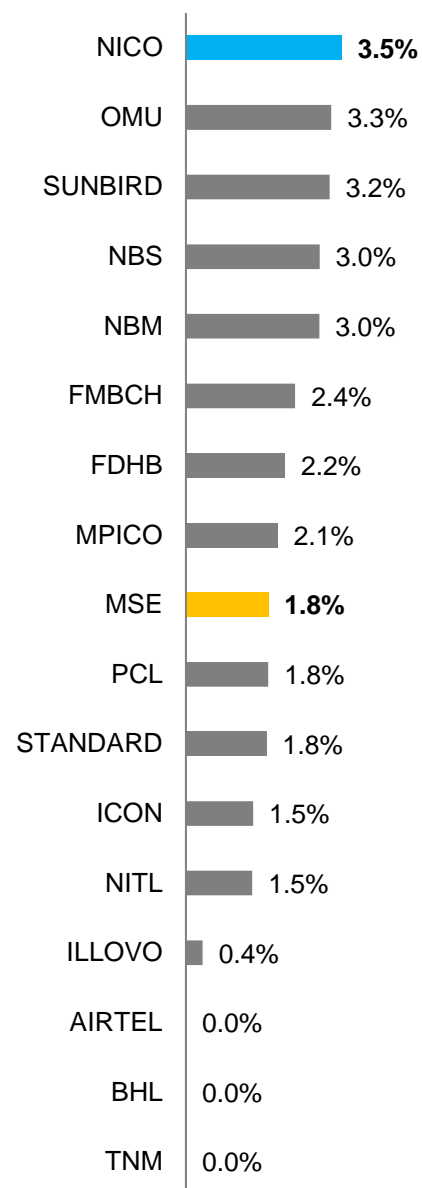


Appendix 1: Historical Monthly Economic Indicators

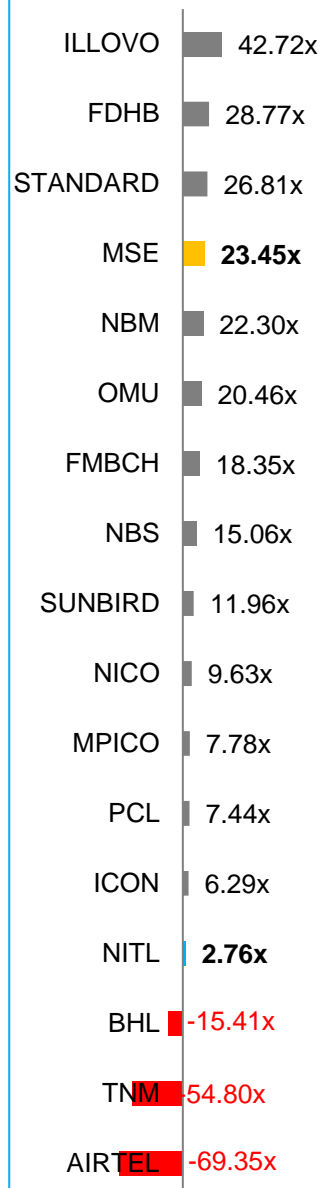
	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Exchange rates (middle rates)													
MK/USD	1,699.31	1,697.98	1,697.80	1,698.50	1,750.38	1,745.70	1,750.76	1,749.51	1,749.95	1,750.31	1,750.37	1,749.95	1,750.11
MK/GBP	2,219.25	2,224.30	2,221.35	2,217.83	2,268.77	2,256.81	2,285.22	2,274.74	2,311.11	2,368.68	2,411.29	2,338.28	2,290.94
MK/EUR	1,907.62	1,917.45	1,888.43	1,887.38	1,949.34	1,922.25	1,951.14	1,922.54	1,947.33	1,994.06	2,003.14	1,953.49	1,904.40
MK/ZAR	92.72	94.17	92.94	90.38	94.64	95.40	95.89	96.89	97.91	101.09	105.69	101.15	99.29
Foreign Exchange Reserves													
Gross Official Reserves (USD'mn)	165.20	242.58	174.80	143.60	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Private Sector Reserves (USD'mn)	413.20	433.01	401.90	396.72	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total reserves (USD'mn)	578.40	675.58	576.70	540.32	552.94	603.07	610.18	591.51	572.02	549.85	560.3	N/A	N/A
Gross Official Reserves Import cover (months)	0.7	1.0	0.70	0.57	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Inflation													
Headline	33.1%	34.5%	35.0%	33.5%	31.8%	32.3%	32.7%	33.3%	33.7%	33.9%	34.3%	32.4%	N/A
Food	41.7%	43.5%	44.9%	42.0%	38.8%	39.9%	40.7%	41.5%	41.9%	42.0%	43.5%	40.3%	N/A
Non-food	22.2%	22.8%	22.0%	22.1%	22.2%	22.4%	22.1%	22.2%	22.4%	22.7%	21.8%	21.2%	N/A
Interest Rates													
Monetary Policy Rate	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
Average Interbank Rate	23.00%	23.00%	23.00%	22.63%	22.22%	22.54%	23.39%	24.17%	24.20%	24.37%	24.20%	24.20%	23.29%
Lombard Rate	24.20%	24.20%	24.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%
Commercial Bank Reference Rate	23.50%	23.60%	23.60%	24.90%	24.90%	24.90%	25.00%	25.10%	25.40%	25.40%	25.40%	25.40%	25.50%
Government Securities Yields													
91-days Treasury Bill	14.70%	14.70%	14.70%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%
182-days Treasury Bill	18.00%	18.00%	18.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
364-days Treasury Bill	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
2-year Treasury Note	26.75%	26.75%	26.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%
3-year Treasury Note	28.00%	28.00%	28.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
5-year Treasury Note	30.00%	30.00%	30.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%
7-year Treasury Note	32.00%	32.00%	32.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
10-year Treasury Note	33.00%	33.00%	33.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Year-to-date Return													
MASI	81.81%	78.85%	4.25%	1.88%	2.96%	2.95%	4.03%	9.15%	16.26%	27.33%	28.60%	32.69%	47.08%
DSI	74.35%	69.99%	0.03%	-2.21%	0.47%	0.46%	1.68%	7.63%	14.76%	27.45%	28.90%	33.57%	47.71%
FSI	168.05%	181.28%	33.77%	30.43%	20.39%	20.39%	20.38%	19.75%	26.76%	26.48%	26.54%	26.51%	42.71%

Appendix 2: Selected stock market statistics as of 30 November 2024

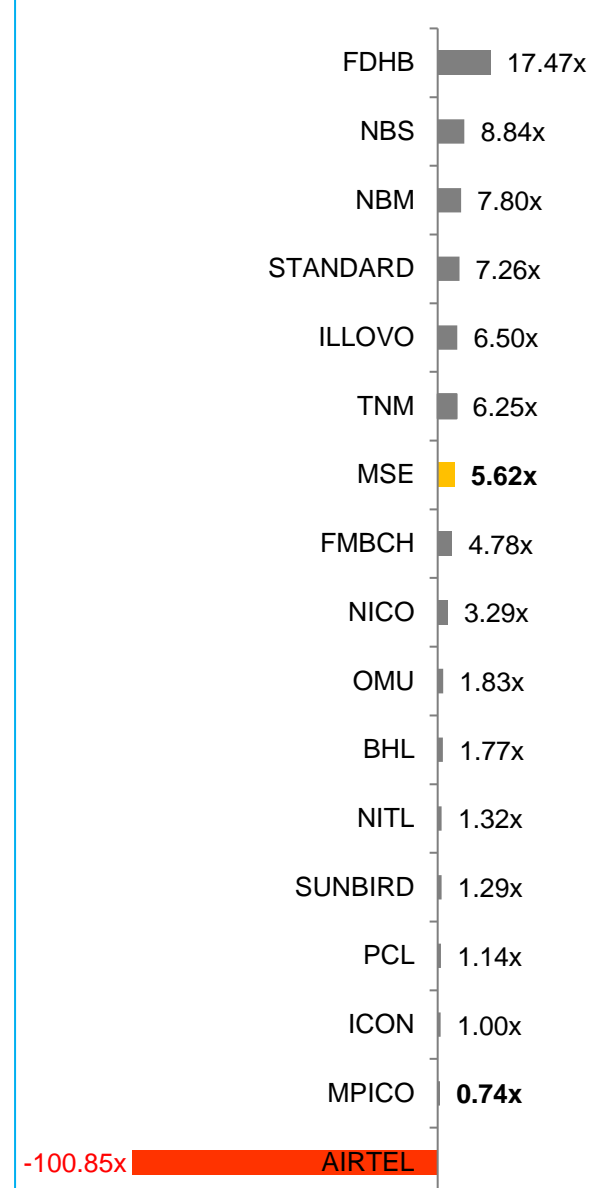
Dividend Yield (%) - the weighted average dividend yield on the MSE was 1.8% in November 2024. The counter with the highest dividend yield was NICO at 3.5%.



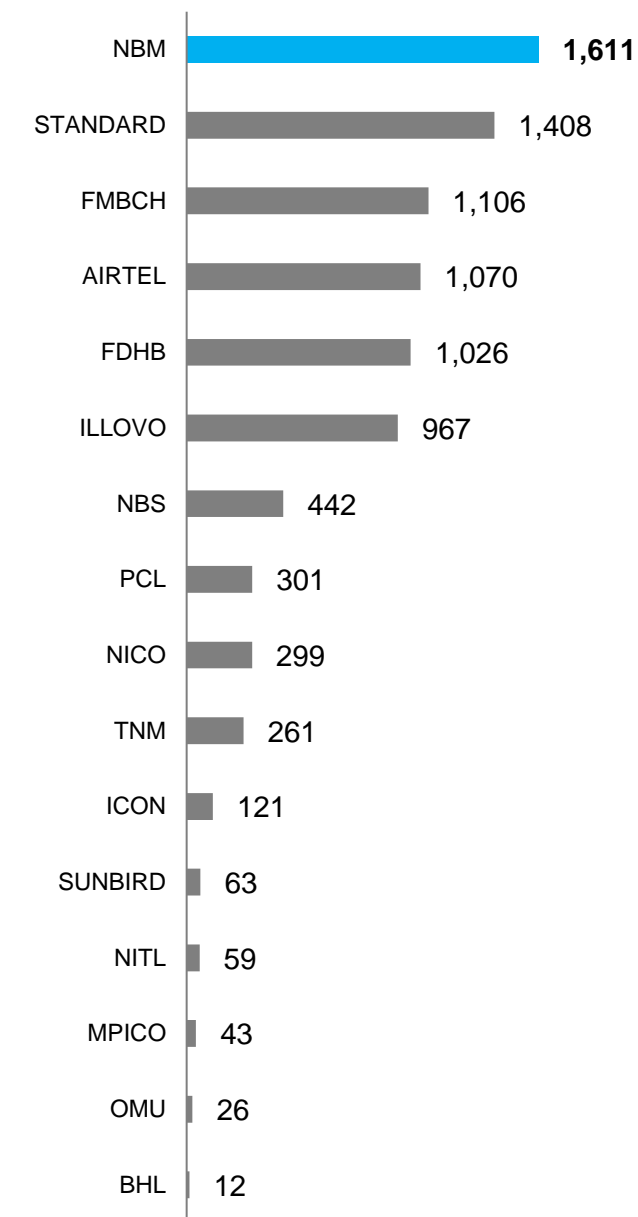
P/E Ratio - the weighted average price to earnings ratio on the MSE was 23.45x in November 2024. The counter with the lowest positive ratio was NITL at 2.76x.



P/BV Ratio - the weighted average price to book value ratio on the MSE was 5.62x in November 2024. The counter with the lowest positive ratio was MPICO at 0.74x.



Market Capitalization (MK'billion) - NBM had the highest market capitalization at MK1.61 trillion in November 2024.



Appendix 3: IMF, World Bank, and AfDB Projections

IMF projections

Annual percentage change (unless otherwise indicated)					
	2021	2022	2023	2024	2025
Real GDP	4.6	0.9	1.5	1.8	4.0
Consumer prices, annual average	9.3	20.8	28.8	30.6	15.3
Overall fiscal balance, including grants (% of GDP)	-8.3	-9.3	-9.2	-8.0	-5.6
Government debt (% of GDP)	66.5	76.7	91.3	84.5	82.3
Broad money (% of GDP)	20.1	23.6	25.2	25.2	25.2
External current account, including grants	-15.4	-16.7	-16.3	-13.9	-13.8
External debt (% of GDP)	37.4	31.3	33.2	41.3	43.0
Reserves (months of imports of goods and services)	0.2	0.4	0.7	1.9	3.0

Source: IMF Sub-Saharan Africa Regional Economic Outlook, October 2024

AfDB projections

Annual percentage change (unless otherwise indicated)				
	2022	2023	2024	2025
Real GDP growth	0.9	1.5	3.3	3.8
Consumer price index inflation	20.8	28.7	27.3	14.3

Source: AfDB Malawi Country Focus Report, July 2024

World Bank projections

Annual percentage change (unless otherwise indicated)						
	2021	2022	2023	2024	2025	2026
Real GDP growth, at constant market prices	2.8	0.9	1.6	1.8	4.2	3.3
Private consumption	2.6	0.6	3.8	4.7	4.8	5.6
Government consumption	-1.1	-5.8	14.8	5.3	7.6	-0.8
Gross fixed capital investment	6.5	12.4	-14.3	-6.5	0.4	-14.1
Exports, goods and services	2.5	3.1	3.5	8.8	6.7	6
Imports, goods and services	2.5	3.9	3.9	9.6	6.3	3.9
Real GDP growth, at constant factor prices	2.8	0.9	1.6	1.8	4.2	3.3
Agriculture	5.2	-1	0.6	-2	5	3
Industry	1.9	0.9	1.6	2.1	3.3	3.1
Services	2	1.8	2.1	3.3	4.2	3.5
Inflation (consumer price index)	9.3	20.9	28.7	33.6	27.3	22.6
Current account balance (% of GDP)	-15.2	-17.3	-16.1	-18.7	-16.5	-14.4
Net foreign direct investment inflow (% of GDP)	0.8	1.6	1.5	1.2	1.1	1
Fiscal balance (% of GDP)	-8.4	-10.3	-10.2	-7.7	-9.9	-6.4
Revenues (% of GDP)	15.1	16.2	16.8	16.6	16.7	16.5
Debt (% of GDP)	67.2	75.5	90.3	85.4	83.2	79.5
Primary balance (% of GDP)	-4.4	-5.8	-5.6	-3.3	-5.7	-3.1

Source: World Bank Sub-Saharan Africa Macro-poverty Outlook, October 2024

Appendix 4: EIU and Oxford Economics Projections

EIU projections

Economic growth (%)	2023	2024	2025	2026	2027	2028
Real GDP	1.6	1.3	1.6	2.3	2.5	2.8
Private consumption	1.7	1.1	1.2	2.2	2.9	3.0
Government consumption	1.8	1.5	1.6	2.1	2.5	2.5
Gross fixed investment	2.0	1.9	2.6	3.2	4.4	4.5
Exports of goods & services	4.4	3.9	3.6	5.0	4.9	5.1
Imports of goods & services	3.9	3.3	3.0	4.5	4.9	5.0
Domestic demand	1.7	1.2	1.4	2.3	3.0	3.1
Agriculture	1.0	-1.0	1.3	1.6	1.6	1.9
Industry	1.4	2.2	2.4	3.0	2.7	2.9
Services	2.0	2.2	2.6	3.9	3.5	3.8
Key indicators						
Consumer price inflation (av; %)	28.8	34.3	28.3	23.9	17.4	13.9
Government balance (% of GDP)	-9.3	-9.6	-9.7	-9.0	-8.4	-8.0
Current-account balance (% of GDP)	-15.2	-14.0	-9.3	-8.4	-8.2	-8.0
Short-term interest rate (av; %)	13.7	16.0	15.0	14.0	12.0	10.0
Exchange rate MK: US\$ (av)	1,149.1	1,727.7	1,817.3	1,995.2	2,206.4	2,416.4
Exchange rate MK: US\$ (end-period)	1,683.5	1,758.8	1,867.9	2,107.3	2,292.6	2,524.6

Source: EIU Malawi Five-year Forecast Report, September 2024

Oxford Economics Projections

Annual percentage unless indicated otherwise	2022	2023	2024	2025	2026	2027
Real GDP growth	0.8	1.5	1.7	3.5	4.8	4.5
CPI inflation	20.8	28.6	32.4	17.3	9.9	7.8
Exports of goods (\$ bn)	1.0	1.1	1.2	1.3	1.3	1.4
Imports of goods (\$ bn)	2.9	3.0	3.1	3.3	3.4	3.6
Current account (\$ bn)	-2.2	-2.3	-2.0	-1.8	-1.8	-1.8
Current account balance (% of GDP)	-17.9	-17.2	-16.4	-13.7	-12.5	-11.7
Exchange rate per USD (year average)	949.0	1,161.1	1,735.3	1,825.3	1,929.9	2,035.2
External debt total (\$ bn)	3.3	4.2	4.8	5.3	5.7	6.1
Government balance (% of GDP)	-9.4	-7.6	-6.2	-5.8	-5.4	-5.2
Government debt (% of GDP)	75.8	81.3	81.3	81.2	80.3	80.0
Population (millions)	20.6	21.1	21.7	22.2	22.8	23.4
Nominal GDP (\$ bn)	12.4	13.3	11.9	13.5	14.6	15.5
GDP per capita (\$ current prices)	603.8	628.3	551.5	607.8	638.8	665.1

Appendix 5: World Bank commodity market prices

World Bank commodity prices

	Annual averages				Monthly averages						
	2020	2021	2022	2023	May 2024	June 2024	July 2024	August 2024	September 2024	October 2024	November 2024
Produce (USD/mt)											
Soybeans	407.0	583.0	675.0	598.0	490.0	480.0	470.0	400.0	391.0	442.0	436.0
Maize	165.5	259.5	318.8	252.7	197.8	192.5	177.4	170.3	185.0	190.3	201.3
Sugar & Tea (USD/Kg)											
Sugar - EU	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Sugar - U.S.	0.6	0.7	0.8	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Sugar - World	0.3	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.5
Tea - average	2.7	2.7	3.1	2.7	3.2	3.2	3.3	3.2	3.3	3.2	3.1
Fertilizers (USD/mt)											
DAP	312.4	601.0	772.2	550.0	522.0	543.0	539.4	546.0	554.8	573.4	574.5
Phosphate rock	76.1	123.2	266.2	321.7	152.5	152.5	152.5	152.5	152.5	152.5	152.5
Potassium chloride	241.1	542.8	863.4	383.2	307.0	310.0	300.6	294.0	286.9	278.1	281.0
TSP	265.0	538.2	716.1	480.2	434.9	473.8	505.8	507.2	504.4	503.8	491.0
Urea, E. Europe	229.1	483.2	700.0	358.0	284.8	336.3	342.5	342.5	337.5	374.8	352.3
Precious Metals (USD/toz)											
Gold	1,770.0	1,800.0	1,801.0	1,943.0	2,351.0	2,326.0	2,398.0	2,470.0	2,571.0	2,690.0	2,651.0
Platinum	883.0	1,091.0	962.0	966.0	1,015.0	985.0	979.0	945.0	967.0	999.0	966.0
Silver	20.5	25.2	21.8	23.4	29.4	29.6	29.8	28.5	30.1	32.4	31.1

Source: World Bank Commodities Price Data (The Pink Sheet), December 2024

Appendix 6: List of Acronyms and Abbreviations

Afrexim Bank:	African Export-Import Bank	Mt:	Metric tons
AfDB:	African Development Bank	NBM:	National Bank of Malawi Plc
AHL:	Auction Holdings Limited	NBS:	NBS Bank Plc
A\$:	Australian Dollar	NICO:	NICO Holdings Plc
av:	Average	NITL:	National Investment Trust Limited Plc
BHL:	Blantyre Hotels Plc	NSO:	National Statistical Office
bn:	Billion	OECD:	Organization for Economic Co-operation and Development
CPI:	Consumer Price Index	OMU:	Old Mutual Limited Plc
DAP:	Diammonium Phosphate	OPEC:	Organization of the Petroleum Exporting Countries
ECF:	Extended Credit Facility	P/BV:	Price to book value
EIU:	Economist Intelligence Unit	PCL:	Press Corporation Limited Plc
EU	European Union	P/E:	Price to earnings
EUR:	Euro	PPDA:	Public Procurement and Disposal of Assets
FDHB:	FDH Bank Plc	PSPTF:	Public Service Pension Trust Fund
FMBCH:	FMB Capital Holdings Plc	RBM:	Reserve Bank of Malawi
GBP:	Great British Pound	SOE:	State Owned Enterprises
GDP:	Gross Domestic Product	SPP:	Share Purchase Plan
IFPRI:	International Food Policy Research Institute	STR	Simplified Trade Regime
IMF:	International Monetary Fund	TB:	Treasury Bill
Kg:	Kilogram	Tb/d	Thousand barrels per day
LRR:	Liquidity Reserve Requirement	TDB:	Trade and Development Bank
MASI:	Malawi All Share Index	TN:	Treasury Note
Mb/d:	Million barrels per day	TNM:	Telekom Networks Malawi Plc
MK:	Malawi Kwacha	Toz:	Troy ounces
Mn:	Million	UN:	United Nations
MPC:	Monetary Policy Committee	US	United States of America
MRA:	Malawi Revenue Authority	USD:	United States Dollar
MSE:	Malawi Stock Exchange	VAT:	Value Added Tax
		ZAR:	South African Rand

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